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February 22, 2018

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

Re: Commission Order No. 2018-81 issued in Docket Nos. 2017-207-E and 2017-305-E and
Commission Order No. 2018-102 issued in Docket Nos. 2017-207-E, 2017-305-E, and
207-370-E

Dear Ms. Boyd:

On Wednesday, January 31, 2018, the Public Service Commission of South Carolina ("the Commission") issued Order No. 2018-81 in Docket Nos. 2017-207-E and 2017-305-E. The hiring of an expert is necessary to meet the Commission's request and supplement the South Carolina Office of Regulatory Staff ("ORS") analysis filed on January 19, 2018. On February 15, 2018, the Commission issued Order No. 2018-102 in Docket Nos. 2017-207-E, 2017-305-E, and 2017-370-E providing clarification on Order No. 2018-81 and requesting an update from ORS by March 2nd.

Please allow this letter to serve as an update regarding the hiring of an expert by ORS to satisfy the requests made by the Commission in Order Nos. 2018-81 and 2018-102 (collectively the "Orders"). Currently, ORS is negotiating an agreement with a major accounting firm, Baker Tilly Virchow Krause, LLP ("Baker Tilly") and ensuring that the agreement's terms and conditions fall within appropriate statutory parameters. Please find attached to this letter a description of Baker Tilly personnel who plan to work on this agreement. Pursuant to S.C. Code Ann. § 11-35-1250, the State Auditor's Office worked diligently and expeditiously in assisting ORS during this process.

Baker Tilly's services are scheduled to be complete 90 days from the date of final execution of an agreement between the parties. In exchange for an affidavit and supporting documentation ("Report") that meets the minimum scope put forth by the Commission in the Orders, Baker Tilly

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requests compensation of \$119,600. Any work required of Baker Tilly in excess of the Report will be billed by Baker Tilly according to its applicable hourly rate. ORS does not have the funds to compensate Baker Tilly for the Report and will be seeking an agreement with South Carolina Electric & Gas Company (“SCE&G”) whereby SCE&G will pay these costs. ORS plans to work with Baker Tilly and SCE&G to finalize the specific terms and conditions of the arrangement and will update the Commission accordingly.

Sincerely,



Andrew M. Bateman

Encl.

cc: Parties to Docket No. 2017-305-E (via E-Mail)
Parties to Docket No. 2017-207-E (via E-Mail)
Parties to Docket No. 2017-370-E (via E-Mail)
William T. Dowdey (via U.S. Mail)
Joseph Melchers, Esquire (via E-Mail)
David Butler, Esquire (via E-Mail)